



4310-02

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

25 CFR Part 226

Establishment of the Osage Negotiated Rulemaking Committee

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Proposed Rule.

SUMMARY: On June 18, 2012, the Department published a notice of intent to establish the Osage Negotiated Rulemaking Committee (Committee). The Committee will develop specific recommendations to address future management and administration of the Osage Mineral Estate, including potential revisions to the regulations governing leasing of Osage Reservation lands for oil and gas mining at 25 CFR Part 226. This notice establishes the Committee, and announces a public meeting of the Committee.

DATES: *Meeting:* Tuesday, August 21, 2012 from 11:00 am to 6:00 pm and Wednesday, August 22, 2012 from 9:00 a.m. to 6:00 p.m. (Central Time).

ADDRESSES: The meetings will be held at the Osage Mineral Council, 813 Grandview Avenue, Pawhuska, OK 74056.

FOR FURTHER INFORMATION CONTACT: Mr. Robert Impson, Designated Federal Officer, Bureau of Indian Affairs, Telephone: (918) 781-4600; Fax: (918) 781-4604, or E-mail: robert.impson@bia.gov. Include the words Osage Negotiated Rulemaking in the subject line.

SUPPLEMENTARY INFORMATION: On October 14, 2011, the United States and the Osage Nation (formerly known as the Osage Tribe) signed a Settlement Agreement to resolve litigation regarding alleged mismanagement of the Osage Nation's oil and gas mineral estate, among other claims. As part of the Settlement Agreement, the parties agreed that it would be mutually beneficial "to address means of improving the trust management of the Osage Mineral Estate, the Osage Tribal Trust Account, and Other Osage Accounts." Settlement Agreement, Paragraph 1.i. The parties agreed that a review and revision of the existing regulations is warranted to better assist the Bureau of Indian Affairs (BIA) in managing the Osage Mineral Estate. The parties agreed to engage in a negotiated rulemaking for this purpose. Settlement Agreement, Paragraph 9.b. After the Committee submits its report, BIA will develop a proposed rule to be published in the *Federal Register*.

PUBLIC COMMENTS: Public comments were submitted nominating members of the Osage Minerals Council who were not named or were named as alternates in the June 18, 2012, Federal Register Notice. These comments generally expressed concern that some elected members of the Osage Minerals Council were not being allowed to participate on the Committee. The Department understands that the Osage Minerals Council, which is the governing body of the Osage Mineral Estate, voted on the members who would sit on the Committee in order of preference; therefore, the interests of all Council members will be

represented by the members voted to serve on the Committee by the Osage Minerals Council. Additionally, alternates will serve on the Committee as an official member when a Committee member is absent. Nominations were also received naming individual Osage Headright holders. The Department believes that as members who vote for the Osage Minerals Council, the interests of each of these individuals will be adequately represented by those members voted to serve on the Committee, each of whom is an elected member of the Osage Minerals Council and empowered to make decisions regarding the Osage Minerals Estate. Public comments were also received nominating non-Osage Headright holders due to concerns that the Osage Minerals Council does not have the best interests of shareholders in mind. Because all shareholders receive the same benefit per headright interest, however, the Department believes that the Osage members of the Committee, each of whom are also shareholders, will adequately represent the interest of all shareholders. It is relevant to note that all of the individuals who are not appointed to the Committee will have an opportunity to participate in the negotiated rulemaking by attending Committee meetings, submitting information and speaking at Committee meetings during the public comment sessions. Some of the comments nominating the various individuals also raised issues with the Osage Constitution and role of the BIA in managing the Osage Mineral Estate. These issues are not relevant to the nomination and appointment of members to the Committee. In any event, the Osage Nation operates pursuant to a duly enacted Constitution dated March 11, 1996. Additionally, the goal of the negotiated rulemaking is to provide recommendations to improve BIA's management and administration of the Osage Mineral Estate.

CERTIFICATION AND ESTABLISHMENT OF COMMITTEE: Therefore, in accordance with the provisions of the Federal Advisory Committee Act (FACA), as amended (5 USC Appendix 2), and with the concurrence of the General Services Administration, the Department of the Interior is announcing the establishment of the Osage Negotiated Rulemaking Committee. The Committee will report to the Secretary of the Interior through the Designated Federal Officer. The Bureau of Indian Affairs will provide administrative and logistical support to the Committee. The members are those individuals identified in the Notice of Intent published on June 18, 2012.

PUBLIC MEETING INFORMATION:

MEETING AGENDA: At the first meeting, the Commission will be receiving informational briefings, discussing its goals and procedures, developing a meeting schedule and work plan, and reviewing the existing regulations and topics required to be included in the negotiated rulemaking pursuant to the Settlement Agreement. The public will be able to make comments on Tuesday, August 21 from 3:00 pm to 4:30 pm; and Wednesday, August 22, 2012, from 1:00 pm to 2:30 pm. The final agenda will be posted on www.bia.gov/osageregneg prior to the meeting.

PUBLIC INPUT: Interested members of the public may present, either orally or through written comments, information for the Committee to consider during the public meeting. Speakers who wish to expand their oral statements, or those who had wished to speak, but could not be accommodated during the public comment period, are encouraged to submit their comments in written form to the Committee after the meeting.

Individuals or groups requesting to make comments at the public Committee meeting will be limited to 5 minutes per speaker. Interested parties should contact Mr. Robert Impson, Designated Federal Officer, in writing (preferably via e-mail), by August 17, 2012 (See **FOR FURTHER INFORMATION CONTACT**), to be placed on the public speaker list for this meeting.

In order to attend this meeting, you must register by close of business August 17, 2012. The meeting location is open to the public, and current, government-issued, photo ID is required to enter. Space is limited, so all interested in attending should pre-register. Please submit your name, time of arrival, email address and phone number to Mr. Robert Impson via email at robert.impson@bia.gov or by phone at (918) 781-4600.

CERTIFICATION STATEMENT: I hereby certify that the establishment of the Osage Negotiated Rulemaking Committee is necessary, is in the public interest and is established under the authority of the Secretary of the Interior.

July 26, 2012
Date

Ken Salazar
Secretary, Department of the Interior

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